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PAUL J. MANSDORF

UNITED STATES BANKRUPTCY COURT FOR
THE NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re
PICONGEN WIRELESS INC.,

Debtor.

Case No. 12-48131 RLE 7

Chapter 7

TRUSTEE'S DECLARATION IN SUPPORT
OF MOTION FOR ORDER APPROVING
SALE OF ESTATE'S INTEREST IN
SUBSTANTIALLY ALL ASSETS OF THE
BANKRUPTCY ESTATE FREE AND CLEAR
OF CERTAIN CLAIMS OF LIEN AND OTHER
INTERESTS

Date: January 9, 2013
Time: 2:00 p.m.
Place: Courtroom 201

The Honorable Roger L. Efremsky, United
States Bankruptcy Judge

I, Paul J. Mansdorf, Trustee declare:

1. I am the duly appointed Trustee of this bankruptcy estate. I have personal knowledge of the facts contained in this declaration except for those I have learned and as for those I believe them to be true, and if called as a witness, could and would competently testify as to them. I make this declaration in support of the motion for an order authorizing me to sell substantially all of the assets of the bankruptcy estate to xStream Wireless Works, Inc. or

1 nominee, for \$60,000 plus all fees advanced by xStream Wireless Works to preserve the
2 intellectual property.

3 2. The assets include all intellectual property, including patent or patent application
4 numbers 20090100495, 20090002556, 20090009662, 20090074051, and 20090006882; all claims
5 or causes of action relating to the intellectual property; all personal tangible property including
6 inventory and equipment; and all notes and rights to payment payable by Sai Manapragada (the
7 “Assets”). The Assets do not include cash on hand, accounts receivable or notes (other than from
8 Mr. Manapragada), tax refunds, and avoidance actions. As further consideration, the Petitioning
9 Creditors Ronald W. Moeckel, Ankit Sahu, Max Lightfoot, and Sai Manapragada waive any
10 claims or rights to payment from the bankruptcy estate (according to the involuntary petition,
11 their combined claims exceed \$1.7 million). The sale of the Assets will be free and clear of the
12 alleged liens or claims of interest of Groover & Associates PLLC, Dale Kluesing, and Averett
13 Family Trust, because they are all in bona fide dispute. The alleged liens or claims of interest
14 will attach to the proceeds of sale to the same extent, validity, and priority (if any) that they
15 attached to the Assets.

16 3. An involuntary chapter 7 bankruptcy petition was filed against the Debtor on
17 October 3, 2012. An order for relief was entered on October 26, 2012. Docket No. 6. I was
18 appointed on October 30, 2012. The Debtor is a Delaware corporation.

19 4. I am informed that Groover & Associates PLLC (“Groover”), a law firm in the
20 Dallas, TX area, represented the Debtor with respect to certain patent applications. I am further
21 informed that on May 24, 2012, Groover filed a UCC financing statement with the California
22 Secretary of State, filing number 12-7314833789, in which Grover asserted an attorney’s lien
23 against certain patent applications. I am further informed that on October 8, 2012, after the
24 involuntary petition was filed, Groover filed another UCC financing statement with the California
25 Secretary of State, filing number 12-7331986787, this time asserting that the Debtor was a
26 Delaware corporation rather than a California corporation. I am further informed that Groover
27 did not file a UCC financing statement in Delaware. Groover has not provided my counsel,
28 Pinnacle Law Group LLP, with a copy of a fee agreement purporting to grant Groover an

1 attorney's lien in any assets.

2 5. On November 7, 2012, the Debtor filed its Schedules and Statement of Financial
3 Affairs. On Schedule D, the Debtor lists as secured creditors Groover for patent preparation and
4 filing in the amount of \$103,000; Dale Kluesing for patent filing fees in the amount of \$1,848.06;
5 and Averett Family Trust for patent filing fees in the amount of \$31,470.39. There is no
6 indication in the Schedules or Statement of Financial Affairs as to how or why these creditors are
7 secured. My counsel's search of the offices of the California and Delaware secretaries of state
8 only reveals the two UCC financing statements filed by Groover identified earlier.

9 6. Schedule B reflects a loan to Sai Manapragada in the amount of \$62,921.60 plus
10 interest. Schedule F reflects a disputed debt to Sai Manapragada in the amount of \$1,104,000.00.

11 7. xStream Wireless Works and I have entered into an agreement pursuant to which
12 xStream Wireless Works will purchase substantially all of the assets for \$60,000 plus all fees
13 advanced by xStream Wireless Works to preserve the intellectual property. The assets include all
14 intellectual property, including patent or patent application numbers 20090100495, 20090002556,
15 20090009662, 20090074051, and 20090006882; all claims or causes of action relating to the
16 intellectual property; all personal tangible property including inventory and equipment; and all
17 notes and rights to payment payable by Sai Manapragada (the "Assets"). The Assets do not
18 include cash on hand, accounts receivable or notes (other than from Mr. Manapragada), tax
19 refunds, and avoidance actions. As further consideration, the Petitioning Creditors Ronald W.
20 Moeckel, Ankit Sahu, Max Lightfoot, and Sai Manapragada waive any claims or rights to
21 payment from the bankruptcy estate (according to the involuntary petition, their combined claims
22 exceed \$1.7 million). The sale of the Assets will be free and clear of the alleged liens or claims
23 of interest of Groover & Associates PLLC, Dale Kluesing, and Averett Family Trust, because
24 they are all in bona fide dispute. The alleged liens or claims of interest will attach to the proceeds
25 of sale to the same extent, validity, and priority (if any) that they attached to the Assets. A true
26 copy of the Term Sheet accompanies this declaration as Exhibit "A."

27 8. I am informed that Sai Manapragada was one of the founders of the Debtor and
28 principally responsible for the creation of the intellectual property. Sai Manapragada is also one

1 of the petitioning creditors. I am further informed that Sai Manapragada is a principal of the
2 proposed buyer xStream Wireless Works. The Debtor allegedly made a loan to Sai Manapragada
3 in the approximate amount of \$63,000; however, Sai Manapragada asserts that the Debtor owes
4 him in excess of \$1 million on account of his employment contract and that Sai Manapragada
5 may off-set that amount against the loan from the Debtor.

6 9. I will list the intellectual property on the NABT Asset Sale website.

7 10. I believe that the proposed sale is in the best interests of creditors and the estate
8 because the liquidation the Assets is necessary to create an estate that may be distributed to
9 creditors. If the sale is not consummated forthwith, the value of the patents made be lost.

10 11. I request that the Court waive the 14-day stay of Federal Rule of Bankruptcy
11 Procedure 6004(h).

12 I declare under penalty of perjury pursuant to the laws of the United States that the
13 foregoing is true and correct.

14 Executed this 28th day of November 2012, at Berkeley, California.

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16 /s/ Paul J. Mansdorf
17 PAUL J. MANSDORF, TRUSTEE
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BINDING TERMSHEET FOR PURCHASE OF
SUBSTANTIALLY ALL ASSETS OF
PICONGEN WIRELESS INC.

Paul Mansdorf (the "Trustee") is a duly appointed trustee in the Chapter 7 case of Picongen Wireless Inc. currently pending before the United States Bankruptcy Court for the Northern District of California, Oakland Division (the "Bankruptcy Court").

This Binding Term Sheet (the "Termsheet") sets forth the terms of which those parties identified as "Purchaser" will purchase substantially all of the assets of Picongen Wireless Inc. from the Trustee.

1. Parties	<p>The following are the parties to this Termsheet:</p> <ul style="list-style-type: none"> • Paul Mansdorf, solely in his capacity as the duly appointed Chapter 7 trustee of the Chapter 7 estate of Picongen Wireless, Inc. ("Trustee") • xStream Wireless Works, Inc. ("Purchaser")
2. Definitions	<p>The following terms shall mean the following in this Termsheet:</p> <p>"Debtor" means Picongen Wireless Inc., a Chapter 7 debtor in a case styled In re Picongen Wireless Inc., Case No. 12-48131 pending before the United States Bankruptcy Court, Northern District of California.</p> <p>"Trustee" means Paul Mansdorf, solely in his capacity as the duly appointed Chapter 7 trustee in the Debtor's Chapter 7 case.</p> <p>"Purchased Assets" mean all of the Debtor's interest and rights in:</p> <ul style="list-style-type: none"> (i) All intellectual property, including without limitation the following patents and/or patent applications: <ul style="list-style-type: none"> No. 20090100495 No. 20090002556 No. 20090009662 No. 20090074051 No. 20090006882 (ii) All claims and/or causes of action relating to intellectual property; (iii) All tangible property, including equipment and inventory; and (iv) All notes and rights to payment payable by Sai Manapragada. <p>"Excluded Assets" mean any cash on hand, accounts, notes (other than a note from Sai Manapragada); tax refunds; and all avoidance actions.</p>

	<p>"Purchase Price" means (i) \$60,000.00 in good funds; (ii) a waiver of any right to distribution on account of all claims of any Petitioning Creditor not arising under the terms of this Termsheet; and (iii) all amounts and fees paid by Purchaser after November 16, 2012 for the purpose of preserving the Debtor's intellectual property.</p>
3. Purchase of Assets	Purchase will purchase the "Purchased Assets". Purchaser shall not acquire any interest in the Excluded Assets.
4. Material Terms of Purchase Agreement	<ol style="list-style-type: none"> 1. The Trustee will sell the Purchased Assets to Purchaser "free and clear of liens and interests" to the full extent of Bankruptcy Code § 363 (b) and (f). 2. The Trustee will make standard representations concerning authority, no impediment and other matters, but sale will otherwise be "as is, where is". <p>To the extent necessary, the Trustee grants Purchaser a power of attorney to take those steps necessary to preserve the value of the patents included in the Purchased Assets; including the payment of various fees relating to the patents. In the event that the Court approves a sale of the patents included in the Purchased Assets to a competing bidder, the Trustee shall reimburse Purchaser for all amounts paid by Purchaser to preserve the patents out of the proceeds of the sale/disposition before the proceeds become available for any other purpose.</p>
5. Conditions Precedent	In addition to the customary conditions precedent Purchaser's obligation, the Purchaser's obligation to close the sale and the Trustee's obligation to sell the Purchased Assets are conditioned on entry, no later than December 26, 2012, of a final order of the Bankruptcy Court authorizing the sale of the Purchased Assets free and clear of all identifiable liens and interests to Purchaser in a form reasonably satisfactory to Purchaser.
6. Binding Effect	The parties intend that this Termsheet be superseded by appropriate final agreements and instruments setting forth all of the customary terms and conditions in addition to those set forth herein, but the parties nonetheless intend and agree that this Termsheet shall constitute a binding and enforceable agreement between the parties with respect to the subject matter hereof, and the parties agree that any dispute over the form of the final documentation which the parties cannot resolve through consultation and negotiation may be presented to and resolved by the Bankruptcy Court.
7. Governing Law and Venue	This Termsheet shall be governed by and construed in accordance with the laws of the State of California regardless of any choice of law principles.

If each of the parties to this Termsheet do not execute this Termsheet and deliver their signature to Patrick Costello of Vectis Law Group (a PDF by email with original signature to follow by first

class mail or overnight delivery), by November 20, 2012, this Termsheet shall be withdrawn and of no force or effect.

[Signature Page Follows]

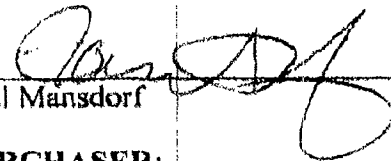
**SIGNATURE PAGE TO BINDING TERMSHEET FOR PURCHASE OF
SUBSTANTIALLY ALL ASSETS OF PICONGEN WIRELESS INC.**

Agreed as of November 19, 2012.

Date: November 19, 2012

TRUSTEE:

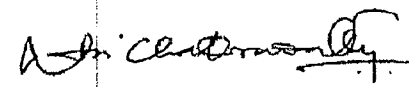
Paul Mansdorf, as Chapter 7 Trustee


Paul Mansdorf

Date: November 26, 2012

PURCHASER:

xStream Wireless Works, Inc.

By: 
Name: Sai Manapragada
Title: Chief Executive Officer